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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

8 February 1982

National Intelligence Council

MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

THROUGH

: Chairman, National Intelligence Council

FROM

David D. Gries

National Intelligence Officer for East Asia

SUBJECT

: Your Testimony Wednesday on Taiwan for the SSCI

•	1 (1 1 0)
1.	memorandum (tab B) narrowing Senator Goldwater's
interests to the FX issu	ue as well as subsequent information that the Senator
	: Taiwan suggest that your testimony Wednesday should
be confined to an explar	nation of intelligence provided to policymakers.
Proposed testimony in ou	utline form appears at tab A.

- 2. Senator Goldwater undoubtedly opposes the President's decision against FX sales to Taiwan. He will probably want to examine some of the basic data upon which we made our judgments. There are at least two ready responses: first, the intelligence provided to policymakers on this issue (tab C) was borne out by events; second, the centerpiece of Community intelligence provided to policymakers was an IIM drafted by DIA whose finding was that the FX would make only a modest contribution to Taiwan's defense.
- 3. In the event you wish to broaden your testimony to include the subjects we discussed last Friday (state of play on Taiwan; summary of the military balance; explanations of PRC behavior regarding the FX; Taiwan's reaction to the FX issue; reunification proposals; Taiwan's leadership; and gaps in intelligence coverage), tab D includes suitable backup material. Please let me know if you want testimony prepared on the backup material.

4. attached	testimony.	Dick	Kerr	have	reviewed	this	memorandum	and	the

David D. Gries

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